

## HOUSE BILL NO. 485

INTRODUCED BY D. HIMMELBERGER

A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING FROM INDIVIDUAL INCOME TAXATION THE SALARY RECEIVED BY A MONTANA RESIDENT UNDER TITLE 10 OR 32 OF THE UNITED STATES CODE AND THE SALARY RECEIVED BY A RESIDENT MEMBER OF THE STATE MILITIA WHILE ON DUTY IN CONNECTION WITH A STATE-DECLARED DISASTER OR EMERGENCY; AMENDING SECTION 15-30-116, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-30-116, MCA, is amended to read:

**"15-30-116. Veterans' bonus or Exemption of military salary --exemptions.** ~~(1) All payments made under the World War I bonus law, Korean bonus law, and the veterans' bonus law are hereby exempt from taxation under the income tax laws of the state of Montana, and any income tax which has been or may hereafter be paid on income received from this source shall be considered an overpayment and shall be refunded upon the filing of an amended return and a verified claim for refund on forms prescribed by the department in the same manner as other income tax refund claims are paid.~~

~~————(2)(1) The salary received from the armed forces by residents a resident of Montana who are serving on active duty in the regular armed forces under the provisions of Title 10 or 32 of the United States Code and who entered into active-duty military service, including the national guard or as a reservist in the armed forces, from Montana is exempt from state income tax taxation under this chapter.~~

(2) The salary received by a Montana resident who is a member of the state militia provided for in 10-1-103 for duty required of the member in connection with a disaster or emergency that has been declared by the proper authority of the state pursuant to Article VI, section 13, of the Montana constitution is exempt from taxation under this chapter."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the

1 meaning of 1-2-109, to tax years beginning after December 31, 2004.

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